

1 **WAGANAKISING ODAWAK STATUTE 2010-xxx**

2  
3 **OFFICE OF THE AUDITOR GENERAL**

4  
5  
6 **SECTION I. SHORT TITLE, ESTABLISHMENT, PURPOSE AND**  
7 **DEFINITIONS**

8  
9 **A. SHORT TITLE**

10  
11 This statute shall be entitled “The Office of the Auditor General.”  
12

13 **B. ESTABLISHMENT**

14  
15 This law establishes the Office of the Auditor General under the Little Traverse Bay  
16 Bands of Odawa Indians Legislative Branch.  
17

18 **C. PURPOSE**

19  
20 **A.** The purpose of the Office of the Auditor General shall be to provide continuing  
21 professional audit and management services to the LTBB government with regard to the  
22 adequacy of management and accounting systems, procedures, practices and internal  
23 controls, including but not limited to:

24  
25 **1.** Conducting financial audits and reviews of financial records of  
26 Commissions-Boards-Committees (CBC’s), related LTBB entities, enterprises,  
27 chartered corporations, departments, divisions, programs, grants and contractors  
28 to the LTBB in accordance with governmental auditing standards;  
29

30 **2.** Conducting performance audits and reviews of Commissions-Boards-  
31 Committees (CBC’s), related LTBB entities, enterprises, chartered corporations,  
32 departments, divisions, programs, grants and contractors to the LTBB in  
33 accordance with governmental auditing standards;  
34

35 **3.** Providing management advisory services to the LTBB regarding finances,  
36 economic development, budgets, personnel, programs and services;  
37

1           4.     Assisting other offices or departments where appropriate in the  
2 investigation of possible fraud and/or misappropriation of assets of the LTBB.  
3

4           5.     Assisting in the building of an effective, responsive, strong and  
5 accountable government.  
6

7           B.     The Office of Auditor General may, from time to time, perform professional  
8 services for organizations and entities not accounted for by the Tribal Accounting  
9 Department of the LTBB and obtain revenue therefore, payable to the LTBB  
10 Government.  
11

## 12

### 13     **SECTION II.           DEFINITIONS**

## 14

15       A.     “Appropriation and Finance Committee” means the Tribal Council committee established  
16 by Statute.  
17

18       B.     “Legislative Branch” or “Tribal Council” means the elected body created under Article  
19 VII of the Little Traverse Bay Bands of Odawa Indians Tribal Constitution.  
20

21       C.     “LTBB” or “Tribe” means the Little Traverse Bay Bands of Odawa Indians or the  
22 Waganakising Odawa.  
23

## 24

### 25     **SECTION III.           OPERATIONAL PLAN - STAFFING, ORGANIZATION AND** 26 **SCHEDULING OF WORK**

## 27

28       A.     There are hereby established the positions of the Auditor General, other auditors, systems  
29 analysts, support staff and such other positions as may be necessary to carry out the purpose of  
30 the Office of the Auditor General.  
31

32       B.     The Auditor General shall be appointed by the LTBB Tribal Council, at a negotiated  
33 salary and shall serve at the pleasure of the LTBB Tribal Council. The Auditor General may be a  
34 licensed Certified Public Accountant, Certified Internal Auditor or hold other comparable degree  
35 and/or certification to fulfill the purpose of the office that holds an emphasis on public sector  
36 auditing. The Auditor General shall be bound by a professional code of ethics and standards of  
37 the accounting and auditing profession such as regulated by the Board of Accountancy of the  
Office of the Auditor General-posted to Legislative Calendar 082210

1 licensing state or other applicable licensing agency. The Auditor General shall be knowledgeable  
2 in performance, compliance and financial auditing, public administration, and governmental  
3 financial and fiscal policies. The Auditor General may be removed at any time by a two thirds  
4 majority vote of the LTBB Tribal Council.

5  
6 All other personnel shall be hired and compensated pursuant to LTBB policies and  
7 procedures relating to qualifications, experience, Odawa preference, salaries, etc., and subject to  
8 workload requirements and appropriate constraints while answering to the Auditor General.

9  
10 **C.** The LTBB Tribal Council may appoint an Acting Auditor General to serve during the  
11 vacancies of the Auditor General. Such Acting Auditor General shall be subject to the same  
12 professional requirements required of the Auditor General in §3 (B), above.

13  
14  
15 **E.** The scheduling of the audits for any fiscal year will be done in accordance with sound  
16 professional practice, giving priority, to the extent practicable, where requested or when the  
17 interests of the LTBB so require or as directed by Tribal Council.

18  
19  
20 **SECTION IV. DUTIES, RESPONSIBILITIES AND AUTHORITY OF THE**  
21 **AUDITOR GENERAL**

22  
23 The Auditor General is authorized and directed to:

24  
25 **A.** Formulate, implement and maintain continuing audit programs and take such action as  
26 may be deemed necessary for the accomplishment of the purpose of the office.

27  
28 **B.** Establish and maintain all necessary liaison and communication with the officials of the  
29 LTBB government, entities, CBC's, enterprises, chartered corporations, and state and federal  
30 agencies for the furtherance and accomplishment of the purpose of the office.

31  
32 **C.** Coordinate with the Executive, Judicial Branches, Prosecutor and Election Board in the  
33 development of accounting, financial-related and audit regulations for use by the LTBB; and  
34 secure records necessary for completing audits and in the investigation of possible fraud and/or  
35 misappropriation of assets of the LTBB.

1 **D.** Be responsive to the requests of Tribal Council for specific information, review or audit  
2 of any aspect of LTBB government and its operation.

3  
4 **E.** Prepare and present to the Appropriations and Finance Committee of the LTBB Tribal  
5 Council clear and concise reports of the results of internal audit reviews and examinations,  
6 prepared in accordance with generally accepted auditing standards and governmental auditing  
7 standards.

8  
9 **F.** Serve as one of the principal advisors to the LTBB Tribal Council regarding accounting,  
10 systems and procedures, program, departmental/divisional operations, programs and services and  
11 financial and/or business matters.

12  
13 **G.** Participate in any discussions when new fiscal procedures are being established or  
14 existing fiscal procedures modified and also in various task forces, or ad hoc committees as  
15 needed.

16  
17 **H.** Exercise supervisory control and direction of all personnel within the office and maintain  
18 the highest standards of audit quality, ethics, independency and confidentiality. Review, modify  
19 and approve audit programs, audit reports and recommendations. Schedule and prioritize audits.

20  
21 **I.** Represent the Office of the Auditor General in legislative planning on behalf of the Tribal  
22 Council.

23  
24 **J.** Represent the LTBB government within the areas of the responsibility and authority of  
25 the office and as authorized by the LTBB Tribal Council, in relations with all persons and  
26 organizations outside the LTBB, and in matters relating to cooperative activities with state or  
27 federal agencies, pertaining to audit. Interface with the LTBB's independent auditors.

28  
29 **K.** Provide, to the extent necessary, training programs and library resources for the  
30 development of a well-qualified professional audit staff. Maintain a continuing education  
31 program designed to qualify staff personnel to meet the government auditing standards.

32  
33 **L.** Conduct limited examinations of specific financial transactions and provide other  
34 administrative support services to the LTBB government as and when requested and as directed  
35 by the LTBB Tribal Council.

1 **M.** Enter into agreements, as deemed necessary with LTBB, state or federal departments or  
2 offices for the sole purpose of accomplishing the objectives of the office, subject to review by  
3 and approval of the Tribal Council.  
4

5 **N.** Conduct audit follow-ups and take other necessary actions to assist in the implementation  
6 of audit recommendations in accordance with requests and direction of the LTBB Tribal Council.  
7

8 **O.** While conducting audits, (financial, performance and compliance) and operations  
9 appraisals of LTBB CBC's, departments, programs and/or divisions, enterprises, chartered  
10 corporations, give emphasis to: effectiveness, accountability, responsiveness to the needs of the  
11 Odawa people, adherence to goals and objectives, policies and plans of operation; safeguarding  
12 of LTBB assets and properties; proper use of labor, equipment, funds and properties; services to  
13 the community; compliance with applicable LTBB, state and federal laws, agreements, policies  
14 or procedures; and adequacy and efficiency of personnel.  
15

16 **P.** Conduct, or participate in the conduct of, examinations of financial statements of LTBB  
17 affiliated entities, contractors to the LTBB and others, in accordance with generally accepted  
18 auditing standards.  
19

20 **Q.** Conduct operations audits of LTBB CBC's, departments, programs and/or divisions,  
21 enterprises, chartered corporations, and LTBB affiliated entities as requested by such entities or  
22 by the LTBB Tribal Council.  
23

24 **R.** Delegate authority to members of the staff as, and when, necessary.  
25

26 **S.** Report directly to the LTBB Tribal Council on all operational issues and be responsible  
27 thereto for the accomplishment of the purposes of the office.  
28

29 **T.** In general, do everything necessary and convenient and assume such other duties and  
30 responsibilities as may be deemed advisable, to accomplish the purpose of this office in the best  
31 interests of the LTBB.  
32

33 **U.** Serve as the sole authority within the LTBB for issuance of audit reports or reports  
34 covering limited examinations of specific financial transactions.  
35  
36

## 37 **SECTION V. DISCLOSURE OF RECORDS**

Office of the Auditor General-posted to Legislative Calendar 082210

1  
2 **A.** Officials and employees of all LTBB CBC's, departments, programs and/or divisions,  
3 entities and enterprises, chartered corporations, shall make their books and records available to  
4 the staff of the Office of the Auditor General upon request and extend every courtesy and  
5 cooperation to such representatives while they are performing their official duties.

6  
7 **B.** The requested information shall be made available within a reasonable period of time.  
8  
9

10 **SECTION VI. AUDIT REPORTS, ACTIONS AND FOLLOW-UPS**  
11

12 **A.** The Auditor General shall submit all LTBB CBC's, departments, program, and/or  
13 divisions, entities and enterprise and chartered corporation audit reports with findings and  
14 recommendations to the Appropriations and Finance Committee of the LTBB Tribal Council for  
15 their review. Upon receipt of the reports, review shall begin within a reasonable period of time so  
16 as to implement the audit recommendation(s) in a timely manner.

17  
18 **B.** The Office of the Auditor General shall conduct such post-audit follow-ups as are  
19 deemed necessary. The results of such post-audit follow-ups shall be similarly reported as  
20 specified by (A), above.  
21  
22

23 **SECTION VII. PROCEDURES FOR ADDRESSING AUDIT FINDINGS AND**  
24 **IMPLEMENTING RECOMMENDATIONS**  
25

26 **A.** Within 10 working days after receipt of the final draft of an audit report from the Office  
27 of the Auditor General, the audited entity will submit written comments to the Auditor General  
28 that present the audited entities overall response to the final draft of the audit report. The audited  
29 entity may request an extension of up to five working days for justified reasons and approval by  
30 the Auditor General. Failure of an audited entity to submit a response shall be deemed to  
31 constitute an acceptance of the final draft of the audit report by the program. The term "audited  
32 entity" as used includes all LTBB CBC's, departments, programs and/or divisions, enterprises,  
33 chartered corporations, or other entities of LTBB government.  
34

35 **B.** A copy of the audited entity's response will be published as part of the audit report issued  
36 to the Appropriations and Finance Committee, the Executive and Legislative Branches and the  
37 LTBB community members.

1  
2 **C.** Within 30 calendar days after the release of the audit report, the audited entity will submit  
3 a corrective action plan to the Auditor General. The corrective action plan will address each  
4 finding presented in the report in one of the following ways:  
5

6 **1.** Audited entity agrees with the audit findings and will immediately implement the  
7 recommendations within a stated time period.  
8

9 **2.** Audited entity agrees with the audit findings but considers that immediate  
10 implementation of the recommendation is not feasible. Audited entity will state the  
11 reasons why implementation should be delayed and the expected time frame for  
12 implementation.  
13

14 **D.** Upon receipt of the audited entity's corrective action plan, the Auditor General shall  
15 review the plan to determine its effectiveness. Upon approval of the plan, the Auditor General  
16 shall present the audit report, and the audited entity shall present the corrective action plan to the  
17 Appropriations and Finance Committee for review. The Auditor General will comment and  
18 identify any potential deficiencies in the corrective action plan, if warranted. The Appropriations  
19 and Finance Committee will approve the audit report and the corrective action plan by motion  
20 and if needed submit a resolution to Tribal Council.  
21

22 **E.** The authority having oversight responsibility for the audited entity shall be served with  
23 copies of the audit report and the corrective action plan. The audited entity may request the  
24 Auditor General to brief them on the audit report.  
25

26 **F.** Within six months after the submission of the corrective action plan, the audited entity  
27 will provide to the Auditor General a written report on the status of all recommendations.  
28

29 **1.** The status report shall describe actions taken to implement the corrective action  
30 plan and the results of those actions. The report should disclose any problems that have  
31 affected the audited entity's ability to implement the corrective action plan in a timely  
32 manner and state how the audited entity plans to address these problems.  
33

34 **2.** The Auditor General will review the implementation status report and, if  
35 warranted, will conduct test work to verify actions taken and/or problems encountered.  
36 The Auditor General will provide a copy of the status report along with the Auditor  
37 General's opinion regarding the success of the audited entity's implementation effort to

1 the Appropriations and Finance Committee and the authority having oversight  
2 responsibility for the audited entity.  
3

4 **G.** Twelve months after the release of the audit report, the Auditor General will conduct a  
5 follow-up review to document the status of the implementation. The audited entity shall provide  
6 data and information, as requested by the Auditor General, to verify action taken. The Auditor  
7 General shall issue a written report on the audited entity's progress in implementing the  
8 corrective action plan. As part of the follow-up report, the Auditor General shall recommend  
9 action to be taken by the Appropriations and Finance Committee and present the report to the  
10 authority having oversight responsibility for the audited entity.  
11

12 **H.** The Auditor General shall report the results of the follow-up review and the status of the  
13 corrective action plan to the Appropriations and Finance Committee.  
14

15 **I.** Based on the follow-up review and any recommendations made by the authority having  
16 oversight responsibility for the audited entity, the Appropriations and Finance Committee will  
17 determine what actions should be taken.  
18  
19

## 20 **SECTION VIII. DUTIES OF AUDITED ENTITIES**

21

22 Once audit findings and a corrective action plan are approved by the Appropriations and  
23 Finance Committee, the LTBB CBC, departments, program and/or division, enterprise, chartered  
24 corporation or entity which is the subject of the corrective action plan shall have a duty to  
25 implement the corrective action plan according to the terms of the plan.  
26  
27

## 28 **SECTION IX. SANCTIONS FOR FAILURE TO IMPLEMENT PLAN**

29

30 **A.** Whenever the Auditor General determines through the periodic review established in  
31 Section 6 or 7 that a CBC, department, program and/or division, enterprise, chartered corporation  
32 or entity has failed to implement the corrective action plan approved by the Appropriations and  
33 Finance Committee within the time table set by the corrective action plan or the Auditor General,  
34 the Auditor General shall immediately report that failure to the Appropriations and Finance  
35 Committee and Tribal Council.  
36



1 **B.** As a sanction for failure to implement the corrective action plan, Tribal Council may  
2 cause 10% of monies payable from unrestricted funds, be withheld as a sanction until such time  
3 as the audited entity has demonstrates to the Auditor General that the corrective action plan has  
4 been implemented. Once proof of implementation of the corrective action plan has been  
5 demonstrated, the Auditor General shall immediately report this compliance to Tribal Council  
6 who may then release the sanction and all withheld funds.

7  
8 **C.** In addition to the above, the director or manager of any program, division, enterprises,  
9 chartered corporations, or entity of the LTBB which fails to implement a corrective action plan,  
10 as reported by the Auditor General, may have 20% of their salary withheld by the accounting  
11 department after the recommended sanction is approved by the Appropriations and Finance  
12 Committee until such time as the program and/or division, enterprise, chartered corporation or  
13 entity which is subject to his or her direction demonstrates to the Auditor General that the  
14 corrective action plan has been implemented. Whenever the audited entity is a CBC of the  
15 LTBB, 20% of any payment prospectively due the CBC officials may be withheld by the  
16 accounting department after the recommended sanction is approved by the Appropriations and  
17 Finance Committee. . Once proof of implementation of the corrective action plan has been  
18 demonstrated, the Auditor General shall immediately report this compliance to after the  
19 recommended sanction is approved by the Appropriations and Finance Committee and who may  
20 release the withheld salary or compensation.

21  
22 **D.** Any director, manager or CBC official whose salary or other compensation is withheld  
23 pursuant to section 9(C) shall have the right to have the withholding reviewed by the LTBB  
24 Tribal Council. Review shall be limited to a determination of whether the audit recommendation  
25 or corrective action plan bears a rational relationship to the audit report, was approved by the  
26 Appropriations and Finance Committee, whether the corrective action plan was implemented  
27 within established time tables and whether the time tables for implementation were reasonable.  
28 The withholding of salary shall be upheld if there is a preponderance of evidence in support of  
29 these factors.

30  
31  
32 **SECTION XI. SAVINGS CLAUSE**  
33

1 In the event that any phrase, provision, part, paragraph, subsection or section of this  
2 statute is found by a court of competent jurisdiction to violate the Constitution, laws or  
3 ordinances of the Little Traverse Bay Bands of Odawa Indians, such phrase, provision, part,  
4 paragraph, subsection or section shall be considered to stand alone and to be deleted from this  
5 statute, the entirety of the balance of the statute to remain in full and binding force and effect.  
6  
7

## 8 **SECTION XII. EFFECTIVE DATE**

9

10 Effective upon signature of the Executive or shall be deemed enacted if not expressly  
11 vetoed by the Executive within thirty (30) days of submission. The Tribal Council may, by an  
12 affirmative vote of seven (7) members of the Tribal Council, override a veto by the Executive.  
13